**Talcher Super Thermal Power Plant**

1043. SHRI RAHASBIHARI BARIK : Will the Minister of POWER be pleased to state :

(a) whether work has been started on the National Super Thermal Power Plant at Talcher in Orissa;

(b) if so, in how many phases the plant would be constructed;

(c) the power generation capacity of that Super Power plant; and

(d) the progress made so far ?

THE MINISTER OF STATE IN THE MINISTRY OF POOT£R (SHRI P. V. RANGAYYA NAIDU): (a) and (b) Yes, Sir. The Talcher Super Thermal Power Project is envisaged to be constructed by the National Thermal Power Corporation (NTPC) in two stages.

(c) The first stage of the project comprises two units of 500 MW each and the second stage will comprise four generating units of 500 MW each.

(d) Both the units of the first stage are in advanced stage of construction. The first unit is expected to be commissioned by February, 1995 and the second unit is expected to be commissioned by September, 1995.

**Private Sector involvement in power generation**

1044. SHRI PARMESHWAR KUMAR AGARWALLA : Will the Minister of POWER be pleased to state :

(a) whether Government explored the possibilities of meeting bulk of the power requirements through such measures as increasing the plant load factor, reducing transmission losses through technical corrections, reducing power thefts through administrative and other measures, etc. before the opening up of Power Generation for tlie private sector ;

(b) if so, the findings thereof and the follow up action taken thereon ;

(c) the investment reqiired per MW)fp>»ver generating capacity and the unit cost of p wer generation by introducing ;o "fective measures and in the privatisation alter- " itive;and

(d) the reasons for adopting the privatisation option for ranting tbe ^r requirements for the future ?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRI P. V. RANGAYYA NAIDU) (a) to (d) A perspective plan upto year 2006-07 prepared by CEA envisages that by the end of :he 10th Five Year Plan about 15,009 MW could be saved if demand management measures were taken up in earnest. Another 15,000 MW can be saved by way of energy conservation methods. Thus demand management and improved conservation could at the most save about 30,000 MW by 2005-07. The same perspective plan has estimated requirement of an additional capacity of 1,42,000 MW by the end of 2006-07. Therefore, demand management and conservation measures cannot completely replace the capacity addition in generation/ distribution in meeting the acute energy and peaking shortages. The Government has also initiated supply side management measures such as Renovation & Modernisation of old plants which are not progressing satisfactorily due to constraint of funds. Hence Government has chosen a realistic approach in inviting the private power sector while continuing the thrust on the energy efficiency measures and demand side management. Moreover, the private sector investment would also bring in the additionality of resources.

The investment required per MW for power generating capacity varies depending on type of the project and among the same type of the projects il varies dependig on the location, distance from the fuel source, unit size etc. Similar is the position regarding energy efficiency and demand side management measures. The present policy does not preclude participation of private sector in the renovation and modernisation and other energy efficiency measures to supplement the efforts of the public sector.

**Counter Guarantees to foreign Investors**

1045. SHRl RAMACHAND^ RAN DILLAI:
SHRI MD. SALIM:

Will the Miaisr of POWER be pleased to state:

(a) what is the present policy of issuing counter guarantees by Govern - ment to the new power projects with foreign investeinent, the details thereof; and

(b) whether Government are in a position to recover the amount from the State Governments against the counter guarantees ?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRl P. V. RANGAYYA NAIDU) (a) It has been decided to extend the Government of India counter guarantee for the State Government guarantee for the State Electricity Boards' payment obligations to the private generating companies in case of 8 out of initial 9 projects cleared from foreign investment angle.

*(to)* Yes, Sir.

**Setting up of power plants**

1046. SHRI PARMESHWAR KUMAR AGAR WALLA: Will the Minister of POWER be pleased to state:

(a) whether Government propose to set up power plants based on the need to avoid loss in transmission of power, theft of power and shut down of big power plants, districts-wise; and

(b) whether any study has been made that if need based power plants are set up district-wise it will be cheaper and it will boost agriculture and industry of the respective States, if not the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRI P. V. RANGAYYA NAIDU): (a) and (b) Thermal power plants, particularly by Central under takings are setup at pithead or load centres depending upon various techno-economic considerations including the availability of land, fuel, water and power evacuation facilities. While smaller projects to meet local needs could help in reducing the transmission losses, the adventegts available in setting up generating stations at pit heads and economics of scale arising from setting up larger projects would not be available.

**Return on equity to new power projects**

1047. SHRl RAMACHAND RAN PILLAI: Will the Minister of POWER be pleased to state:

(a) what is the basis for fixing 16 % return o" equity (ROE) for new power projects;

(b) when was it decided and a what level;

(c) whether the State Govrrn- raents were involved in taking this decision, if so, when had such consultation taken place and what were